



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#21 DECEMBER 6, 2011

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SACHI A. HAMAI
EXECUTIVE OFFICER

Los Angeles County
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December 06, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

APPROVAL OF AMENDMENT TO URGENT CARE CENTER SERVICES AGREEMENT WITH URGENT CARE ASSOCIATES, INC.

SUBJECT

Approval of an amendment to extend the Proposition A Urgent Care Center Services Agreement at Hubert H. Humphrey Comprehensive Health Center.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Mayor to sign the attached Proposition A (Prop A) Amendment No. 1 to Agreement No. 77204 with Urgent Care Associates, Inc. (UCA), effective upon Board approval, to update required County provisions and extend the term of the Agreement for the period of January 1, 2012 through June 30, 2013, for the continued provision of Urgent Care Center services at Hubert H. Humphrey Comprehensive Health Center (HHHCHC) at increased payment rates for a total estimated cost of \$2,977,350 for the eighteen months.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of this recommendation will ensure the continued availability of Urgent Care Center services to County patients at HHHCHC. The Urgent Care Center is open 16 hours a day, 7 days a week, and 365 days a year. The current Agreement with UCA expires on December 31, 2011. The recommended Amendment (Exhibit 1) extends the term of the Agreement through June 30, 2013. The expiration date of June 30, 2013 has been identified to be co-terminus with the Urgent Care Physician Services Agreement at Martin Luther King, Jr., Multi-Service Ambulatory Care Center (MLK MACC), also held by UCA. During the HHHCHC agreement extension period, the Department of Health Services (DHS) plans to release a solicitation for Urgent Care Center services for both HHHCHC and MLK MACC to result in the awarding of a successor agreement to commence when the current agreements expire.

The current per patient visit rate of \$50 for the Urgent Care Center services will be increased to \$51.50 for Fiscal Year (FY) 2011-2012 and \$52 for FY 2012-2013 to allow UCA to ensure retention of qualified medical personnel. In addition, the Amendment also updates the contract language including the Health Insurance Portability and Accountability Act of 1996 provision and makes minor clarifying changes to the statement of work.

Implementation of Strategic Plan Goals

The recommended action supports Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

Based on anticipated volume of 2,950 patient visits a month, the estimated expenditure for FY 2011-2012 is \$986,550 and includes the \$12,500 per month rate for the Urgent Care Center Co-Medical Directors to perform a combined total of 80 hours of administrative duties. Expenditures will vary depending on the number of patient visits and/or the reduction to the Urgent Care Center Co-Medical Director's monthly rate if the 80 hours in a given month are not provided. The total estimated cost for the recommended extension period is \$2,977,350.

Funding is included in HHHCHC's FY 2011-2012 Final Budget and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On December 15, 2009, your Board approved the Agreement with UCA to provide Urgent Care Services at HHHCHC effective December 15, 2009 with services commencing on January 1, 2010 and continuing through December 31, 2011. When UCA was initially selected DHS was able to negotiate a reduced rate of \$50 per visit for the two year term with an understanding that the rates would be reexamined in any subsequent extension period.

UCA provides physician specialists for HHHCHC Urgent Care Center in the areas of Family, Internal, and Emergency Medicine as well as part-time mid-level practitioners (e.g. physician assistants) during the Urgent Care Center's operating hours. UCA is in compliance with the terms of the Agreement and is meeting the performance standards related to the staffing levels and anticipated volume of patient visits. Improvement in patient flow at the Urgent Care Center under the supervision

of UCA and HHHCHC staff has resulted in an increase in the number of monthly patient visits and a decrease in a patient's length of stay. UCA continues to work in partnership with HHHCHC staff to improve upon the basic day-to-day operation of the Urgent Care Center.

UCA initially requested a higher per visit rate due to the salary levels required to retain the physician specialists. UCA has given up its right to terminate for convenience as part of its consideration for the County increasing the per visit rates. The County may terminate the Agreement for convenience with 90 calendar days' written notice.

County Counsel has approved Exhibit 1 as to use and form.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will ensure for the continued provision of services at HHHCHC's Urgent Care Center.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is fluid and cursive, with the first name "Mitchell" written in a larger, more prominent script than the last name "Katz".

Mitchell H. Katz, M.D.

Director

MHK:es

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

Exhibit 1

Contract No. 77204-1

AGREEMENT BY AND BETWEEN
THE COUNTY OF LOS ANGELES AND URGENT CARE ASSOCIATES, INC.
FOR URGENT CARE CENTER SERVICES
AT HUBERT H. HUMPHREY COMPREHENSIVE HEALTH CENTER

AMENDMENT NO. 1

THIS AMENDMENT is made and entered into this 6th day
of December, 2011,

by and between	COUNTY OF LOS ANGELES (hereafter "County"),
and	URGENT CARE ASSOCIATES, INC. (hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled, "AGREEMENT BY AND BETWEEN THE COUNTY OF LOS ANGELES AND URGENT CARE ASSOCIATES, INC. FOR URGENT CARE CENTER SERVICES AT HUBERT H. HUMPHREY COMPREHENSIVE HEALTH CENTER", dated December 15, 2009, and further identified as County Agreement No. 77204 (hereafter "Agreement"); and

WHEREAS, it is the intent of the parties hereto to amend Agreement to extend its term and to make the changes described hereinafter; and

WHEREAS, Agreement provides that changes may be made in the form of a written amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall become effective upon Board of Supervisors' approval.

77204

Supplement No. 1

2. Sub-paragraph 2.5 of Agreement, County Project Director, shall be deleted in its entirety and replaced with the following:

“2.5 County Project Director: Ambulatory Care Chief Medical Officer (CMO) is designated as County Project Director with authority to resolve contractual and administrative matters relating to this Agreement. The County’s Project Director, or designee, is the approving authority for contractor work.”

3. Paragraph 4 of Agreement , TERM OF AGREEMENT, shall be deleted in its entirety and replaced with the following:

"4. TERM OF AGREEMENT

4.1 This Agreement is effective upon December 15, 2009 through June 30, 2013, unless sooner terminated, in whole or in part, as provided herein.

4.2 Contractor services shall commence upon the Services Start Date.

4.3 The Contractor shall notify DHS when this Agreement is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, the Contractor shall send written notification to DHS at the address herein provided in Exhibit C - County’s Administration.”

4. Sub-paragraph 8.10, Consideration of Hiring Gain/Grow Program Participants, shall be deleted in its entirety and replaced with the following:

“8.10 Consideration of Hiring Gain/Grow Program Participants

8.10.1 Should the Contractor require additional or replacement personnel after the effective date of this Agreement, the Contractor shall give consideration for any such employment openings to participants in the County’s Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor’s qualifications for the open position. If the Contractor decides to pursue consideration of GAIN/GROW participants for hiring, the Contractor shall provide information regarding job openings and job requirements to DPSS’ GAIN/GROW staff at GAINGROW@dpss.lacounty.gov. The County will refer GAIN/GROW participants by job category to the Contractor.

8.10.2 In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.”

5. Sub-paragraph 8.14, County’s Quality Assurance Plan, shall be deleted in its entirety and replaced with the following:

“8.14 County’s Quality Assurance Plan

8.14.1 The County or its agent will evaluate the Contractor’s performance under this Agreement on not less than an annual basis. Such evaluation will include assessing the

Contractor's compliance with all Agreement terms and conditions and performance standards identified in the Statement of Work. Contractor deficiencies which the County determines are severe or continuing and that may place performance of the Agreement in jeopardy if not corrected will be reported to the Board of Supervisors.

8.14.2 The report will include improvement/corrective action measures taken by the County and the Contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Agreement or impose other penalties as specified in this Agreement.

8.14.3 The County maintains databases that tract/monitor Contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option."

6. Sub-subparagraph 8.25.3, Failure to Maintain Coverage, shall be deleted in its entirety and replaced with the following:

"8.25.3 Failure to Maintain Insurance

Contractor's failure to maintain or to provide acceptable evidence that it maintains the required insurance shall constitute a material breach of the Contract, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. County, at its sole

discretion, may obtain damages from Contractor resulting from said breach.

Alternatively, the County may purchase the required insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.”

7. Sub-subparagraph 8.25.7, Cancellation of or Changes in Insurance, shall be added to Agreement to read as follows:

“8.25.7 Cancellation of or Changes in Insurance

Contractor shall provide County with, or Contractor’s insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in required insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in required insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.”

8. Sub-paragraph 8.43, Termination for Convenience, shall be deleted in its entirety and replaced with the following:

“8.43 Termination for Convenience

8.43.1 This Agreement may be terminated, in whole or in part, from time to time, when such action is deemed by the County, in its sole discretion, to be in its best interest. Termination of work hereunder shall be effected by notice of termination to

the Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ninety (90) days after the notice is sent.

8.43.2 After receipt of a notice of termination and except as otherwise directed by the County, the Contractor shall:

- Stop work under this Agreement on the date and to the extent specified in such notice;
- Transfer title and deliver to County all completed work and work in process; and
- Complete performance of such part of the work as shall not have been terminated by such notice.

8.43.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Agreement shall be maintained by the Contractor in accordance with sub-paragraph 8.39, Record Retention and Inspection/Audit Settlement.”

9. Sub-paragraph 8.45, Termination for Improper Consideration, shall be deleted in its entirety and replaced with the following:

“8.45 Termination for Improper Consideration

8.45.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed

under this Agreement if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Agreement or securing favorable treatment with respect to the award, amendment, or extension of this Agreement or the making of any determinations with respect to the Contractor's performance pursuant to this Agreement. In the event of such termination, the County shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

8.45.2 The Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Fraud Hotline at (800) 544-6861 or www.lacountyfraud.org.

8.45.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts."

10. Sub-paragraph 9.1 of Agreement, Contractor's Obligations as a "Business Associate" Under the Health Insurance Portability & Accountability Act of 1996 (HIPAA), shall be deleted in its entirety and replaced with the following:

"9.1 Health Insurance Portability and Accountability Act of 1996 (HIPAA)
And the Health Care Information Technology for Economic and Clinical Health
Act (HITECH)

9.1.1 The parties acknowledge the existence of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH) and their implementing regulations. Contractor understands and agrees that, as a provider of medical treatment services, it is a "covered entity" under HIPAA/HITECH and, as such, has obligations with respect to the confidentiality, privacy, and security of patients' medical information , and must take certain steps to preserve the confidentiality of this information, both internally and externally, including the training of its staff and the establishment of proper procedures for the release of such information, including the use of appropriate consents and authorizations specified under HIPAA/HITECH.

9.1.2 The parties acknowledge their separate and independent obligations with respect to HIPAA/HITECH, and that such obligations relate to transactions and code sets, privacy, and security. Contractor understands and agrees that it is separately and independently responsible for compliance with HIPAA/HITECH in all these areas and that County has

not undertaken any responsibility for compliance on Contractor's behalf. Contractor has not relied, and will not in any way rely, on County for legal advice or other representations with respect to Contractor's obligations under HIPAA/HITECH, but will independently seek its own counsel and take the necessary measures to comply with the law and its implementing regulations.

9.1.3 Contractor and County understand and agree that each is independently responsible for HIPAA/HITECH compliance and agree to take all necessary and reasonable actions to comply with the requirements of the HIPAA/HITECH laws and implementing regulations related to transactions and code sets, privacy, and security.

9.1.4 Each party further agrees that, should it fail to comply with its obligations under HIPAA/HITECH, it shall indemnify and hold harmless the other party (including the other party's officers, employees, and agents), for damages to the other party that are attributable to such failure."

11. Sub-paragraph 9.5 of Agreement, Intentionally Omitted, shall be deleted in its entirety and replaced with the following:

"9.5 Federal Access to Records

If, and to the extent that, Section 1861(v)(1)(I) of the Social Security Act (42 U.S.C. Section 1395x(v)(1)(I) is applicable, Contractor agrees that

for a period of five (5) years following the furnishing of services under this Agreement, Contractor shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Controller General of the United States, or to any of their authorize representatives, the Agreements, books, documents and records of Contractor which are necessary to verify the nature and extent of the costs of services provided hereunder. Furthermore, if Contractor carries out any of the services provided hereunder through any subcontract with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period with a related organization (as that term is defined under Federal law), Contractor agrees that each such subcontract shall provide for such access to the subcontract, books, documents and records of the subcontractor.”

12. Sub-paragraph 1.2 of Exhibit A of Agreement, Shift, shall be deleted in its entirety and replaced with the following:

“1.2 Shift: A “Shift” consists of a specific number of consecutive hours. A shift shall consist of eight (8) consecutive hours. In no case shall a shift consist of less than eight (8) consecutive hours, unless there is a shift-hour exception, as described hereunder. Notwithstanding the above, a shift may consist of ten (10) or twelve (12) hours, if, solely in the opinion of the Ambulatory Care Chief Medical Officer (“CMO”), the Hubert H. Humphrey Comprehensive Health Center (“HHHCHC”) Urgent Care Center (“UCC”) would operate in a more efficient manner with the utilization of ten (10) or twelve (12) hour shifts.”

13. Sub-subparagraph 2.3.2 of Exhibit A of Agreement, UCC Physician Assistant/Nurse Practitioner, shall be deleted in its entirety and replaced with the following:

“2.3.2 UCC Physician Assistant/Nurse Practitioner

Staffing shall include, at a minimum, provision of one (1) UCC Physician Assistant, or one (1) UCC Nurse Practitioner if UCC Physician Assistants are not available, for each of two shifts, i.e., Monday through Saturday sixteen (16) hours and Sunday eight (8) hours on a 365 days per year basis, who shall at all times be supervised by a UCC Physician/Emergency Physician. Upon written request from Contractor, and at the discretion of the Director or his designee, UCC Physician Assistant/Nurse Practitioner coverage may be modified from the requirements set forth herein. Any such modification shall be approved in writing by the Director or his designee and shall be prospective only.”

14. Sub-Paragraph 3.11 of Exhibit A of Agreement, Physical Examinations/Immunizations, shall be deleted in its entirety and replaced with the following:

“3.11 Medical Health Screening

Contractor shall ensure that all of its staff providing services and/or entering a DHS Facility, under this Agreement at the time of participation hereunder, have undergone and successfully passed a current physical health examination, consistent with current DHS policy and Exhibit N, MEDICAL HEALTH SCREENING. The cost of the Medical Health Screening shall be at the expense of the Contractor. The Pre-placement or Pre-assignment Health

Clearance Packets, Annual Health Screening Packet, and EHS Policies may be accessed at: http://cg.dhs.lacounty.gov/EHS_Forms/EHSBLANKFORM.htm”

15. Sub-paragraph 3.16 of Exhibit A of Agreement, Invoice, shall be deleted in its entirety and replaced with the following:

“3.16 Invoice

Contractor shall provide County with a complete invoice on a semi-monthly basis in accordance with specifications to be provided by County, in order to receive payment from County. Such invoices shall include separate documentation/schedule that the combination of the two (2) individuals performing the duties of UCC Co-Medical Directors is no more than eighty (80) hours spent by both individuals combined during the invoiced month, in total, on HHHCHC UCC administrative duties. Contractor shall identify the UCC Medical Director (include the individual’s first and last name) for each administrative duty performed and time that is billed to the County. Copies of daily Time Sheets for the invoiced semi-month shall be attached to Invoice to receive payment.”

16. Paragraph 5.0 of Exhibit B of Agreement, RATE SCHEDULE, shall be deleted in its entirety and replaced with the following:

“5.0 RATE SCHEDULE

5.1 County shall compensate Contractor for UCC services provided to County patients on a per patient visit basis as follows:

<u>Period</u>	<u>Per Visit Rate</u>
January 1, 2010 through December 31, 2011	\$50
January 1, 2012 through June 30, 2012	\$51.50
July 1, 2012 through June 30, 2013	\$52

In the event County requests Contractor's UCC Medical Providers work Late Shift Hours, County shall compensate Contractor for such Late Shift Hours worked at the rate of \$120 per hour for UCC Physician or UCC Emergency Physician and \$75 per hour for UCC Physician Assistant or UCC Nurse Practitioner. Compensation for Late Shift Hours to UCC Medical Providers is paid in hours or increments of 15 minutes if less than an hour. No compensation will be allowed for periods less than 15 minutes.

- 5.2 The UCC Co-Medical Directors shall be reimbursed at actual hours worked in that capacity per month as follows: \$12,500 per month (\$6,250 per semi-monthly billing cycle or \$156.25 per hour based upon the provision of no more than eighty (80) hours of UCC administrative activities per month, in total). Compensation for UCC Co-Medical Directors is paid in hours or increments of 15 minutes if less than an hour. No compensation will be allowed for periods less than 15 minutes.

5.3 HHHCHC's Medical Director, or designee, shall assure that such medical services were indeed provided prior to approving any invoices and that HHHCHC maintains appropriate time records to reflect the provision of same."

17. Sub-paragraph 6.1 of Exhibit B of Agreement, shall be deleted in its entirety and replaced with the following:

"6.1 Contractor shall provide only those follow-up medical services in the UCC that are appropriate and acceptable within the community standard for a UCC setting. County reserves the right to review and audit all follow-up visits to determine if they were medically appropriate. If after mutual discussion with Contractor, County determines, in its sole discretion, that there is insufficient justification for the follow-up visit in the UCC, based upon documentation in the patient Medical Record, County shall deny, or otherwise disallow through audit exception, any claim for the follow-up visit. Contractor may appeal, in writing, to the County Project Director and Ambulatory Care Chief Executive Officer. The decision of the County Project Director and Ambulatory Care Chief Executive Officer shall be final."

18. Exhibit C of Agreement, COUNTY'S ADMINISTRATION, shall be deleted in its entirety and replaced with Exhibit C, attached hereto and incorporated herein by reference.

19. Exhibit I of Agreement, CONTRACTOR'S OBLIGATIONS AS A "BUSINESS ASSOCIATE" UNDER THE HEALTH INSURANCE PORTABILITY & ACCOUNTABILITY ACT OF 1996 (HIPAA) shall be deleted in its entirety.

20. Exhibit N, MEDICAL HEALTH SCREENING, shall be added to the Agreement and is attached hereto and incorporated herein by reference.

21. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Chairman and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.



SACHI A. HAMAI
Executive Officer,
Board of Supervisors of
the County of Los Angeles

COUNTY OF LOS ANGELES

By *[Signature]*
Chairman, Board of Supervisors

URGENT CARE ASSOCIATES, INC.
Contractor

By *[Signature]*
Signature

By *Benjamin Zavala*
Deputy

Title *Treasurer/Secretary*

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL

By *Shamaron*
County Counsel

I hereby certify that pursuant to
Section 25163 of the Government Code,
delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By *Benjamin Zavala*
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

21 DEC 6 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

77204 Supplement No. 1